

Assembly Section

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Mr Shane McAteer
Clerk
Committee for Finance and Personnel
Room 419
Parliament Buildings
Stormont

Our Ref: CFP132/10

21 February 2011

Dear Shane,

At the Committee meeting on the 2nd February 2011 Members requested an update on the Minister's recent engagement on NAMA including the likely timescale for the realisation of NI assets and the potential implications; and an up to date position on how the NAMA board are consulted before decisions are taken. This information is outlined below.

The latest Ministerial bi-lateral between the Finance Minister and the Republic of Ireland's Finance Minister (Brian Lenihan) took place on the 13th January 2011. At the meeting the Ministers discussed NAMA and other banking issues.

The NAMA Business Plan shows that it aims to have a 25 per cent debt reduction by 2013, 40 per cent by 2015, 80 per cent by 2017, 95 per cent by 2018 and 100 per cent by 2019. Therefore all assets should be realised over this 10 year time frame.

Minister Lenihan has advised that early sales would be mostly from outside of the Republic of Ireland and Northern Ireland, and that they are likely to take place in Britain or the US. However, we do not know exact details of this.

Minister Lenihan has also agreed to the continued need to avoid a 'firesale' of NI based assets and recognises that it is not in anyone's interest.

At the beginning of the NAMA process, the Finance Minister also agreed to keep the Northern Ireland Advisory Committee well informed of the Executive's decision to realise assets, as a co-ordination on efforts to realise assets would avoid flooding the local market with land sales.

The Northern Ireland Advisory Committee is an advisory committee to the NAMA board and was established under NAMA legislation. The purpose of the Committee is to ensure that NAMA is aware of NI issues and to ensure

that they are considered as quickly as possible in the decision making process. Through discussions with the Irish Government the Finance Minister has received assurances that this is the case.

The Committee has six members. Its Northern Ireland members are Mr Frank Cushnahan and Mr Brian Rowntree, with Mr Peter Stewart (Chair), Mr Brian McEnery, Ms Eilish Finan, and Mr Ronnie Hanna (NAMA's Head of Credit and Risk).

DFP continue to closely monitor NAMA developments. Following the North South Ministerial Plenary in January 2011, it was agreed that the First Minister, deputy First Minister and Finance Minister would arrange a meeting with the NAMA Board in the near future to get an update on the work of NAMA and to discuss its impact in Northern Ireland. This meeting is currently being arranged.

Committee Members also requested a table outlining the capital contractual commitments leading in to the budget period, this table is attached at Annex A.

Yours sincerely,

A handwritten signature in cursive script that reads "Norman".

NORMAN IRWIN

Annex A

CONTRACTUALLY COMMITTED CAPITAL BY DEPARTMENT

The table below shows the contractually committed capital expenditure by department, which underpins the draft Budget capital allocations.

Contractually Committed Capital by Department

	£ million				
	2011-12	2012-13	2013-14	2014-15	Total
DARD	0.8	0.7	0.6	0.4	2.4
DCAL	10.9	4.6	-	-	15.5
DE	0.1	-	-	-	0.1
DEL	33.7	18.3	-	-	52.0
DETI	54.1	20.3	10.3	1.9	86.6
DFP	5.6	0.6	0.3	0.3	6.8
DHSSPS	78.0	163.1	49.4	22.5	312.9
DOE	0.0	0.0	0.0	0.1	0.1
DRD	101.0	229.1	347.1	225.7	902.8
DSD	133.9	61.9	26.8	18.7	241.3
OFMDFM	6.8	-	-	-	6.8
Minors	0.0	0.0	0.0	0.0	0.2
TOTAL	425.0	498.6	434.4	269.5	1627.4

Totals may not add due to roundings